

# FAX transmission

DATE: 5/23/95FROM: Chris Younger of WSGR

**FENWICK & WEST**  
Two Palo Alto Sq., Ste. 800  
Palo Alto, CA 94306  
(415) \_\_\_\_\_ Direct  
(415) 857-0361 Fax

TO: Deanna  
COMPANY: \_\_\_\_\_  
FAX #: 415 356-5444  
PHONE #: \_\_\_\_\_  
# OF PAGES: 3 (including this transmittal page)  
ACCOUNT NO.: \_\_\_\_\_

MESSAGE: \_\_\_\_\_

Fenwick494-0600Heena Boudary

IF YOU DO NOT RECEIVE THE CORRECT NUMBER OF PAGES, OR IF THEY ARE NOT  
CLEAR PLEASE CALL \_\_\_\_\_ AT (415) 494-0600, EXT. \_\_\_\_\_

The information contained in this facsimile message is privileged and confidential information  
intended only for the use of the individual or entity named above or their designee. If the reader of  
this message is not the intended recipient, you are hereby notified that any dissemination, distribution  
or copy of this communication is strictly prohibited. If you have received this communication in error  
please immediately notify us by telephone and return the original message to us at the above address  
via the U.S. Postal Service. Thank you.



**LEGAL DEPARTMENT  
FAX TRANSMISSION  
STATEMENT OF CONFIDENTIALITY**

THE INFORMATION CONTAINED IN THIS FAX IS INTENDED FOR THE EXCLUSIVE USE OF THE ADDRESSEE AND MAY CONTAIN CONFIDENTIAL OR PRIVILEGED INFORMATION. IF YOU ARE NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY FORM OF DISSEMINATION OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF THIS FAX WAS SENT TO YOU IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY PHONE.

Please deliver this cover PLUS 1 page(s) to:

NAME:

WAIS Inc.

Please deliver a copy to Mr. Brewster Kahle and Mr.  
David Kaiser

415-356-5444

→ TO DEANNA

  
Please deliver a copy to Allen L. Morgan, Esq.

415-496-4092

Mr. Pete Buzy and Mr. Don Neff  
Ernst & Young LLP

703-903-5200

Harry Boadwee  
Fenwick & West

415-424-0859

From:  
Paul F. Baker, Esquire  
Direct Line: (703) 918-2019  
Main #: (703) 448-8700  
Fax #: (703) 448-9164

CC: Bill Dunn, Len Leader,  
Tom Stout, Miles Gilburne  
and Sheila Burke

**COMMENT:** Attached is a chart illustrating the conversion of WAIS Common Stock and Stocks Options into AOL Common Stock and AOL Options as contemplated by the Plan, at the AOL Closing Price of \$36.525. The only figure subject to change is the share price used to cash-out "fractional escrow shares," which is based on today's closing price of AOL Common Stock. Neither chart addresses the Additional AOL Options.

5/23/95 3:03 PM

WALS.COM\XLS

Conversion Schedule of WALS Common Stock and Stock Options

Price less than \$37.50 per share

AOL shares issued: 370,858 (7,525,000 / (7,525,000 + 591,375) x 400,000)

Share conversion ratio: 0.049283169 (370,858 / 7,525,000)

Option price conversion ratio: 20.29089456 (1 / 0.049283169)

AOL Closing Price: \$36.6260 (Five day average prior to closing - 5/16 - 5/22)

AOL Closing Price on Date of Merger: \$38.0000 (Closing price on date of merger)

WALS Shares	Conversion Ratio	AOL Converted Shares	Issued Shares 80%	Escrow Shares 16%	Rounded Issued Shares	Rounded Escrow Shares	Fractional Issued Shares	Fractional Escrow Shares	(a) x (c)	(b) x (d)	(c) x (d)	(a) x (c) Plus	(b) x (d) Cash
7,500,000	0.049283169	369,823.9202	337,841.5282	36,982.3920	337,841	36,982	0.5282	0.3823	\$36.5260	\$38.0000	\$36.5260	\$34.10	\$38.0000
22,600	0.049283169	1,106.8716	997.9846	110.8872	997	110	0.9846	0.8872	\$36.5260	\$38.0000	\$36.5260	\$34.10	\$38.0000
2,500	0.049283169	123.2060	110.8872	12.3208	110	12	0.8872	0.3208	\$36.5260	\$38.0000	\$36.5260	\$34.10	\$38.0000
7,525,000					337,841	36,982							

Conversion Ratio

0.049283169 20.29089456

WALS Options	WALS Option Price	AOL Options	Option Price (a)	Rounded AOL Options (b)	Fractional AOL Options (b)	AOL Closing Price (c)	Net AOL Option Value (c) - (a)	Cash due to Holder (d) x (b)
30,000	\$0.0167	1,774.1946	\$0.3389	1,774	0.1946	\$36.5260	\$38.1681	\$7.05
54,000	\$0.0167	2,681.2922	\$0.3389	2,681	0.2822	\$36.5260	\$38.1681	\$10.57
7,500	\$0.0167	369.6239	\$0.3389	369	0.6239	\$36.5260	\$38.1681	\$22.68
300,000	\$0.0167	14,764.9568	\$0.3389	14,764	0.9568	\$36.5260	\$38.1681	\$34.62
150,000	\$0.0167	7,392.4784	\$0.3389	7,392	0.4784	\$36.5260	\$38.1681	\$17.31
75,000	\$0.0167	3,696.2392	\$0.3389	3,696	0.2392	\$36.5260	\$38.1681	\$8.66
300,000	\$0.0167	14,764.9568	\$0.3389	14,764	0.9568	\$36.5260	\$38.1681	\$34.62
300,000	\$0.0167	1,478.4957	\$0.3389	1,478	0.4957	\$36.5260	\$38.1681	\$17.64
300,000	\$0.0167	19,618.1430	\$0.3389	19,618	0.1430	\$36.5260	\$38.1681	\$5.17
90,000	\$0.0167	4,435.4870	\$0.3389	4,435	0.4370	\$36.5260	\$38.1681	\$17.62
15,000	\$0.0167	739.2476	\$0.3389	739	0.2476	\$36.5260	\$38.1681	\$8.97
30,000	\$0.0167	1,478.4957	\$0.3389	1,478	0.4957	\$36.5260	\$38.1681	\$17.64
22,500	\$0.0167	1,108.8716	\$0.3389	1,108	0.8716	\$36.5260	\$38.1681	\$31.55
15,000	\$0.0167	739.2476	\$0.3389	739	0.2476	\$36.5260	\$38.1681	\$8.97
15,000	\$0.0167	739.2476	\$0.3389	739	0.2476	\$36.5260	\$38.1681	\$8.97
7,500	\$0.0167	369.6239	\$0.3389	369	0.6239	\$36.5260	\$38.1681	\$22.68
30,000	\$0.0167	1,478.4957	\$0.3389	1,478	0.4957	\$36.5260	\$38.1681	\$17.64
300,000	\$0.0167	14,764.9568	\$0.3389	14,764	0.9568	\$36.5260	\$38.1681	\$34.62
22,500	\$0.0167	1,108.8716	\$0.3389	1,108	0.8716	\$36.5260	\$38.1681	\$31.55
1,900,000				94,022				